

**STATEMENT REGARDING OPERATING PROCEDURES
IMPLEMENTING 47 C.F.R. SUBPART U
GOVERNING USE OF
CUSTOMER PROPRIETARY NETWORK INFORMATION (CPNI)
EFFECTIVE FEBRUARY 6, 2006**

The following statement explains how the operating procedures of Least Cost Routing, Inc. ("LCR") ensure or will ensure that it is in compliance with the Commission's CPNI rules, as codified at 47 C.F.R. Subpart U.

I. Use of customer proprietary network information without customer approval.

A. LCR may use, disclose, or permit access to CPNI for the purpose of providing or marketing service offerings among the categories of service to which the customer already subscribes from LCR, without customer approval. Presently, LCR offers only interexchange service to its customers.

(1) If a customer subscribes to LCR's interexchange services, LCR may share that customer's CPNI with its affiliated entities that provide a similar service offering to the customer.

(2) If a customer does not subscribe to more than one of LCR's offerings, LCR is not permitted to share CPNI with its affiliates, except as provided in Section II.B.

LCR's operating procedures prohibit the sharing of CPNI between affiliates in such circumstances. Any request for this type of information would require significant resources to access the required data, and must be generated through the IT department of Primus Telecommunications, Inc. ("Primus")¹, LCR's affiliate. LCR requires that any such projects are approved, in advance, by a Director level employee or higher for each applicable business unit. LCR is now requiring that the marketing department and business units contact the legal department prior to making any such request from IT. Additional controls are being implemented within IT, such that when a request for information other than "subscriber list information" comes in, an approval request is sent to Primus's legal department, and no work on the project will be conducted unless such approval is given.

B. LCR may not use, disclose, or permit access to CPNI to market to a customer service offerings that are within a category of service to which the subscriber does not already subscribe from LCR, unless LCR has customer approval to do so, except as described in Section I.C.

¹ We note that LCR shares IT and legal resources with its affiliate, Primus Telecommunications, Inc.

(1) LCR may use, disclose, or permit access to CPNI derived from the provision of interexchange service, without customer approval, for the provision of CPE and information service(s).

(2) LCR may not use, disclose or permit access to CPNI to identify or track customers that call competing service providers. For example, LCR may not use interexchange CPNI to track all customers that call long distance competitors.

LCR's operating procedures prohibit such use of CPNI. As described previously, the information required to track customer calls to certain destinations require the engagement of the IT department of LCR's affiliate, Primus Telecommunications, Inc. ("Primus"). While LCR's business units and marketing professionals are instructed to engage Primus's legal department prior to making any such request, an additional control is being implemented such that an approval request will be sent to Primus's legal department and no work will commence on the data gathering until such approval is received.

C. LCR may use, disclose, or permit access to CPNI, without customer approval, as follows:

(1) LCR may use, disclose, or permit access to CPNI, in its provision of inside wiring installation, maintenance, and repair services.

(2) LCR may use, disclose, or permit access to CPNI for the purpose of conducting research on the health effects of CMRS.

(3) LCR may use CPNI to market services formerly known as adjunct-to-basic services, such as, but not limited to, speed dialing, computer-provided directory assistance, call monitoring, call tracing, call blocking, call return, repeat dialing, call tracking, call waiting, caller I.D., call forwarding, and certain centrex features.

D. LCR may use, disclose, or permit access to CPNI to protect LCR's rights or property, or to protect its users and other carriers from fraudulent, abusive, or unlawful use of, or subscription to, LCR's services.

II. Approval required for use of customer proprietary network information.

A. LCR may obtain customer approval through written, oral or electronic methods.

LCR's operating procedures require customer approval through written, oral, or electronic methods in accordance with FCC rules. Currently, LCR does not have a standard manner to obtain customer approval when the customer signs up for service. In the event that LCR deems it necessary to obtain customer approval, the method by which the approval is obtained would depend on the

scope, timing, and finances associated with the marketing campaign. Any notice/approval campaign for existing customers must be conducted with the assistance of Primus's legal department to ensure it is in compliance with appropriate FCC rules. LCR is also considering creating a mechanism whereby it obtains approval from new customers through the sign up process. All approvals (including verification of an oral approval) will be maintained for the time period required by the commission for record retention.

(1) Where LCR obtains verbal approval, it bears the burden of demonstrating that such approval has been given in compliance with the FCC's rules.

LCR's operating procedures provide that in the event verbal approval is obtained, all such approvals must be recorded through a third party verification company (either live or IVR), and include the following minimum information: (a) the date and time of the call; (b) the customer's name and address; (c) specific identifying information of the customer (e.g., date of birth or mother's maiden name; (d) affirmative approval to use CPNI. All third party verifications will be reviewed for appropriate information, and only those verifications with the required information will be deemed "approved" by the customer.

(2) A customer's approval or disapproval obtained by LCR to use, disclose, or permit access to the customer's CPNI the use of CPNI outside of the customer's total service relationship with LCR must remain in effect until the customer revokes or limits such approval or disapproval.

With respect to verbal approvals, any approved script shall include information regarding procedures to revoke and/or limit such approval or disapproval ("Revocation Procedures"). Any documents used to obtain written or electronic approval shall contain the appropriate disclosures and Revocation Procedures.

(3) LCR must maintain records of notification and approval, whether oral, written or electronic, for at least one year.

LCR's operating procedures comply with this requirement. LCR currently does not have any such approvals, but, when received, will maintain records of notification and approval (in whatever form) for a period of at least one year.

B. Use of Opt-Out and Opt-In Approval Processes.

(1) LCR may, subject to opt-out approval or opt-in approval, use its customer's individually identifiable CPNI for the purpose of marketing communications-related services to that customer. LCR may, subject to opt-out approval or opt-in approval, disclose its customer's individually identifiable CPNI, for the purpose of

marketing communications-related services to that customer, to its agents; its affiliates that provide communications-related services; and its joint venture partners and independent contractors. LCR may also permit such persons or entities to obtain access to such CPNI for such purposes. Any such disclosure to or access provided to joint venture partners and independent contractors shall be subject to the safeguards set forth in Section II.B(2).

LCR's operating procedures generally prohibit the disclosure of CPNI for the purpose of marketing communications-related services to existing customers by its agents, joint venture partners, and independent contractors. Any exception to this rule requires written approval by a Vice President, and LCR's or Primus's General Counsel. Legal counsel will be appointed to work with the agent, joint venture partner and/or independent contractor to ensure the opt-in and opt-out procedures are properly followed in accordance with the Commission's Rules.

(2) Joint Venture/Contractor Safeguards. If LCR discloses or provides access to CPNI to its joint venture partners or independent contractors, it shall enter into confidentiality agreements with independent contractors or joint venture partners that comply with the following requirements. The confidentiality agreement shall:

- (i) Require that the independent contractor or joint venture partner use the CPNI only for the purpose of marketing or providing the communications-related services for which that CPNI has been provided;
- (ii) Disallow the independent contractor or joint venture partner from using, allowing access to, or disclosing the CPNI to any other party, unless required to make such disclosure under force of law; and
- (iii) Require that the independent contractor or joint venture partner have appropriate protections in place to ensure the ongoing confidentiality of consumers' CPNI.

LCR's operating procedures comply with these requirements. Subject to the approvals set forth above, a specific confidentiality agreement has been created for this purpose, and is available to the appropriate business units. LCR prohibits the exchange of any information with the contractor or partner unless a confidentiality agreement has been fully executed.

(3) Except for use and disclosure of CPNI that is permitted without customer approval under Section I, or that is described Section II.B(1), or as otherwise provided in section 222 of the Communications Act of 1934, as amended, LCR may only use, disclose, or permit access to its customer's individually identifiable CPNI subject to opt-in approval.

LCR's operating procedures comply with this requirement. The training manual applicable to LCR's CPNI includes the appropriate information to ensure that the above-referenced CPNI is subject to opt-in approval only.

III. Notice required for use of customer proprietary network information.

A. Notification, Generally.

(1) Prior to any solicitation for customer approval, LCR must provide notification to the customer of the customer's right to restrict use of, disclosure of, and access to that customer's CPNI.

(2) LCR must maintain records of notification, whether oral, written or electronic, for at least one year.

LCR's operating procedures comply with this requirement. As noted above, LCR has not engaged in any solicitations for customer approvals to-date. However, prior to any solicitation for customer approval, LCR will provide notification to the customer of their right to restrict the use of, disclosure of, and access to that customer's CPNI. These notices may be sent through postcard, bill insert, web notification, or electronic mail. A hard copy of the notification, will be maintained by LCR for a period of no less than (1) year.

B. Individual Notices. Individual notice to customers must be provided when soliciting approval to use, disclose, or permit access to customers' CPNI.

LCR's operating procedures comply with this requirement. LCR will only send notifications to individual customers, and will not communicate the notification in any blanket manner, including but not limited to posting the notification on its website.

C. Content of Notice.

Customer notification must provide sufficient information to enable the customer to make an informed decision as to whether to permit LCR to use, disclose, or permit access to, the customer's CPNI.

(1) The notification must state that the customer has a right, and LCR has a duty, under federal law, to protect the confidentiality of CPNI.

(2) The notification must specify the types of information that constitute CPNI and the specific entities that will receive the CPNI, describe the purposes for which CPNI will be used, and inform the customer of his or her right to disapprove those uses, and deny or withdraw access to CPNI at any time.

(3) The notification must advise the customer of the precise steps the customer must take in order to grant or deny access to CPNI, and must clearly state that a denial of approval will not affect the provision of any services to which the customer subscribes. However, LCR may provide a brief statement, in clear and neutral language, describing consequences directly resulting from the lack of access to CPNI.

(4) The notification must be comprehensible and must not be misleading.

(5) If written notification is provided, the notice must be clearly legible, use sufficiently large type, and be placed in an area so as to be readily apparent to a customer.

(6) If any portion of a notification is translated into another language, then all portions of the notification must be translated into that language.

(7) LCR may state in the notification that the customer's approval to use CPNI may enhance LCR's ability to offer products and services tailored to the customer's needs. LCR also may state in the notification that it may be compelled to disclose CPNI to any person upon affirmative written request by the customer.

(8) LCR may not include in the notification any statement attempting to encourage a customer to freeze third-party access to CPNI.

(9) The notification must state that any approval, or denial of approval for the use of CPNI outside of the service to which the customer already subscribes from LCR is valid until the customer affirmatively revokes or limits such approval or denial.

(10) LCR's solicitation for approval must be proximate to the notification of a customer's CPNI rights.

LCR's operating procedures comply with these requirements, and specifically state that all notices must contain the above-referenced information.

D. Notice Requirements Specific to Opt-Out.

LCR must provide notification to obtain opt-out approval through electronic or written methods, but not by verbal communication (except as provided in paragraph F of this section). The contents of any such notification must comply with the requirements of paragraph C of this section.

(1) LCR must wait a 30-day minimum period of time after giving customers notice and an opportunity to opt-out before assuming customer approval to use, disclose, or permit access to CPNI. LCR may, in its discretion, provide for a longer period. LCR must notify customers as to the applicable waiting period for a response before approval is assumed.

(i) In the case of an electronic form of notification, the waiting period shall begin to run from the date on which the notification was sent; and

(ii) In the case of notification by mail, the waiting period shall begin to run on the third day following the date that the notification was mailed.

(2) Insofar as LCR is using the opt-out mechanism, it must provide notices to its customers every two years.

(3) If LCR uses e-mail to provide opt-out notices, it must comply with the following requirements in addition to the requirements generally applicable to notification:

(i) LCR must obtain express, verifiable, prior approval from consumers to send notices via e-mail regarding its service in general, or CPNI in particular;

(ii) LCR must allow customers to reply directly to e-mails containing CPNI notices in order to opt-out;

(iii) Opt-out e-mail notices that are returned to LCR as undeliverable must be sent to the customer in another form before LCR may consider the customer to have received notice;

(iv) LCR must ensure that the subject line of the message clearly and accurately identifies the subject matter of the e-mail; and

(v) LCR must make available to every customer a method to opt-out that is of no additional cost to the customer and that is available 24 hours a day, seven days a week. LCR may satisfy this requirement through a combination of methods, so long as all customers have the ability to opt-out at no cost and are able to effectuate that choice whenever they choose.

LCR's operating procedures comply with this requirement. In the event of any opt-out campaign, the appropriate business units are required to work with Primus's legal department to ensure the above-referenced requirements are satisfied.

E. Notice Requirements Specific to Opt-In.

LCR may provide notification to obtain opt-in approval through oral, written, or electronic methods. The contents of any such notification must comply with the requirements of paragraph C of this section.

LCR's operating procedures comply with this requirement. In the event of any opt-in campaign for existing customers, the appropriate business units are required to work with Primus's legal department to ensure the above-referenced requirements are satisfied.

F. Notice Requirements Specific to One-Time Use of CPNI.

(1) LCR may use oral notice to obtain limited, one-time use of CPNI for inbound and outbound customer telephone contacts for the duration of the call, regardless of whether LCR uses opt-out or opt-in approval based on the nature of the contact.

(2) The contents of any such notification must comply with the requirements of paragraph C of this section, except that LCR may omit any of the following notice provisions if not relevant to the limited use for which LCR seeks CPNI:

(i) LCR need not advise customers that if they have opted-out previously, no action is needed to maintain the opt-out election;

(ii) LCR need not advise customers that they may share CPNI with their affiliates or third parties and need not name those entities, if the

limited CPNI usage will not result in use by, or disclosure to, an affiliate or third party;

(iii) LCR need not disclose the means by which a customer can deny or withdraw future access to CPNI, so long as LCR explains to customers that the scope of the approval LCR seeks is limited to one-time use; and

(iv) LCR may omit disclosure of the precise steps a customer must take in order to grant or deny access to CPNI, as long as LCR clearly communicates that the customer can deny access to his CPNI for the call.

LCR's operating procedures comply with this requirement. In the event of any one time use of CPNI, the appropriate business units are required to work with Primus's legal department to ensure the above-referenced requirements are satisfied.

V. Safeguards required for use of customer proprietary network information.

A. LCR must implement a system by which the status of a customer's CPNI approval can be clearly established prior to the use of CPNI.

As LCR does not currently have any CPNI approvals, the system by which the approval can be established will be determined at a later time, based on the method by which LCR obtained the CPNI approval. To the extent that LCR implements a CPNI approval on a going forward basis, this will include an electronic marker with the customer's record that clearly identifies that CPNI has been approved.

B. LCR must train its personnel as to when they are and are not authorized to use CPNI, and must have an express disciplinary process in place.

LCR has created appropriate training manual(s) introducing CPNI, detailing the FCC requirements, discussing the approved uses of CPNI, notification and approval procedures, as well as the consequences of failing to follow such procedures. For existing employees, training (including refresher training) will be conducted the earlier of (a) every calendar year; or (b) any internal reorganization within Primus's IT department, marketing and/or appropriate business units. New employees with a need to know will be trained on the appropriate procedures within a reasonable time of employment.

C. LCR must maintain a record, electronically or in some other manner, of its own and its affiliates' sales and marketing campaigns that use its customers' CPNI. LCR shall maintain a record of all instances where CPNI was disclosed or provided to third parties, or where third parties were allowed access to CPNI. The record must include a description of each campaign, the specific CPNI that was used in the campaign, and what products and services were offered as a part of the campaign. LCR shall retain the record for a minimum of one year.

LCR's operating procedures comply with this requirement. In any instance where LCR's CPNI is requested from Primus's IT department, Primus's legal department will be engaged through the approval request process. If not already engaged, Primus's legal department will then contact the responsible marketing individual or business unit to ensure that they are aware of their obligation to maintain the required information, and associated records for no less than one (1) year. To the extent that verbal approval is obtained, the marketing department and business units are responsible for ensuring that any third parties storing the information will store the information properly and for the time period required herein. All written records will be kept in hard copy; all electronic records will be kept in a database on a secure server.

D. LCR must establish a supervisory review process regarding its compliance with the FCC's CPNI rules for outbound marketing situations and maintain records of its compliance for a minimum period of one year. Specifically, sales personnel must obtain supervisory approval of any proposed outbound marketing request for customer approval.

LCR's operating procedures comply with this requirement. As part of the Do Not Call procedures, there are detailed procedures associated with any outbound marketing campaign. Primus's legal department is actively engaged in any outbound marketing campaign, and will provide the supervisory review for any campaign with respect to CPNI rules. Approval by the Vice President of the appropriate business unit and Primus or LCR's General Counsel is required prior to any proposed outbound marketing request for customer approval. All records demonstrating compliance with the CPNI rules will be maintained for a period of no less than one (1) year.

E. LCR must have an officer, as an agent of LCR, sign a compliance certificate on an annual basis stating that the officer has personal knowledge that the company has established operating procedures that are adequate to ensure compliance with the rules in this subpart. LCR must provide a statement accompanying the certificate explaining how its operating procedures ensure that it is or is not in compliance with the rules in this subpart.

LCR's operating procedures comply with this requirement. On an annual basis, operating procedures will be reviewed in contemplation of such certification and a statement will be prepared in compliance with the applicable rules.

F. LCR must provide written notice within five business days to the FCC of any instance where the opt-out mechanisms do not work properly, to such a degree that consumers' inability to opt-out is more than an anomaly.

(1) The notice shall be in the form of a letter, and shall include LCR's name, a description of the opt-out mechanism(s) used, the problem(s) experienced, the remedy proposed and when it will be/was implemented, whether

the relevant state commission(s) has been notified and whether it has taken any action, a copy of the notice provided to customers, and contact information.

(2) Such notice must be submitted even if LCR offers other methods by which consumers may opt-out.

LCR's operating procedures comply with this requirement, and the appropriate training manual(s) alert LCR's marketing professionals and business units of the time sensitivity associated with these types of issues.